

SENATE BILL No. 14

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1.

Synopsis: Inheritance tax exemption for Class A transferees. Provides a complete exemption from the inheritance tax for property interests transferred to lineal descendants and ancestors (Class A transferees) with respect to persons who die after June 30, 2002.

Effective: July 1, 2002.

Ford

November 20, 2001, read first time and referred to Committee on Finance.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 14

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-4.1-3-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. **(a) With respect**
3 **to a person who dies before July 1, 2002**, the first one hundred
4 thousand dollars (\$100,000) of property interests transferred to a Class
5 A transferee under a taxable transfer or transfers is exempt from the
6 inheritance tax.
- 7 **(b) With respect to a person who dies after June 30, 2002, the**
8 **entire amount of property interests transferred to a Class A**
9 **transferee is exempt from the inheritance tax.**
- 10 SECTION 2. IC 6-4.1-5-1 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) For purposes of
12 this section, the net taxable value of property interests transferred by a
13 decedent to a particular transferee equals the remainder of:
- 14 (1) the total fair market value of the property interests transferred
15 by the decedent to the transferee under a taxable transfer or
16 transfers; minus
17 (2) the total amount of exemptions and deductions provided under



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~~sections 9-1 through 15 of IC 6-4.1-3~~ **IC 6-4.1-3-10 through**

IC 6-4.1-3-15 with respect to the property interests so transferred.

(b) **With respect to a person whose death occurred before July 1, 2002**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED	INHERITANCE TAX
\$25,000 or less	1% of net taxable value
over \$25,000 but not over \$50,000	\$250, plus 2% of net taxable value over \$25,000
over \$50,000 but not over \$200,000	\$750, plus 3% of net taxable value over \$50,000
over \$200,000 but not over \$300,000	\$5,250, plus 4% of net taxable value over \$200,000
over \$300,000 but not over \$500,000	\$9,250, plus 5% of net taxable value over \$300,000
over \$500,000 but not over \$700,000	\$19,250, plus 6% of net taxable value over \$500,000
over \$700,000 but not over \$1,000,000	\$31,250, plus 7% of net taxable value over \$700,000
over \$1,000,000 but not over \$1,500,000	\$52,250, plus 8% of net taxable value over \$1,000,000
over \$1,500,000	\$92,250, plus 10% of net taxable value over \$1,500,000

(c) **With respect to a person whose death occurred after June 30, 2002, the inheritance tax imposed on the person's transfer of property interests to a particular Class A transferee is zero dollars (\$0).**

(d) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

NET TAXABLE VALUE OF
PROPERTY INTERESTS



1	TRANSFERRED	INHERITANCE TAX
2	\$100,000 or less	7% of net taxable value
3	over \$100,000 but not	
4	over \$500,000	\$7,000, plus 10% of net
5		taxable value over \$100,000
6	over \$500,000 but not	
7	over \$1,000,000	\$47,000, plus 12% of net
8		taxable value over \$500,000
9	over \$1,000,000	\$107,000, plus 15% of net
10		taxable value over \$1,000,000
11	(d) (e) The inheritance tax imposed on a decedent's transfer of	
12	property interests to a particular Class C transferee is prescribed in the	
13	following table:	
14	NET TAXABLE VALUE OF	
15	PROPERTY INTERESTS	
16	TRANSFERRED	INHERITANCE TAX
17	\$100,000 or less	10% of net taxable value
18	over \$100,000 but not	
19	over \$1,000,000	\$10,000, plus 15% of net
20		taxable value over
21		\$100,000
22	over \$1,000,000	\$145,000, plus 20% of
23		net taxable value over
24		\$1,000,000

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